

# BUDGETING QUIZ

1. The budgeting process starts with monitoring current spending.

☐ True    ☐ False

2. Most short-term goals are based on activities over the next two or three years.

☐ True    ☐ False

3. A common long-term goal may involve saving for college for parents of a new-born child.

☐ True    ☐ False

4. Rent is considered a fixed expense.

☐ True    ☐ False

5. Flexible expenses stay about the same each month.

☐ True    ☐ False

6. The final phase of the budgeting process is to:

- ☐ set personal and financial goals.
- ☐ compare your budget to what you have actually spent.
- ☐ review financial progress.
- ☐ monitor current spending patterns.

7. An example of a long-term goal would be:

- ☐ an annual vacation.
- ☐ saving for retirement
- ☐ buying a used car.
- ☐ completing college within the next six months.

8. A clearly written financial goal would be:

- ☐ To save money for college for the next five years
- ☐ To invest in an international mutual fund for retirement
- ☐ To establish an emergency fund of \$4,000 in 18 months
- ☐ To pay off credit card bills this year

9. An example of a fixed expense is:

- ☐ clothing.
- ☐ auto insurance.
- ☐ an electric bill.
- ☐ educational expenses.

10. What is commonly considered a flexible expense?

- ☐ rent
- ☐ a mortgage payment
- ☐ home insurance
- ☐ entertainment